

**Chairperson:** Maria Perez  
**Senior Executive Assistant:** Jodi Mapp, 257-5202

**MILWAUKEE COUNTY MENTAL HEALTH BOARD  
FINANCE COMMITTEE**

**Thursday, December 3, 2020 - 1:30 P.M.**  
**Teleconference Meeting**

**MINUTES**

**PARTICIPANTS:** Maria Perez, Jon Lehrmann, Duncan Shrout, and Kathie Eilers

**SCHEDULED ITEMS:**

**1. Welcome.**

Chairwoman Perez welcomed everyone to the December 3, 2020, Mental Health Board Finance Committee's remote/virtual meeting.

**2. Mental Health Board Finance Committee Professional Services Contracts Recommendation.**

- 2020 Contract
  - Milwaukee County Sheriff's Department
- 2020 Contract Amendments
  - Clean Power
  - Netsmart
- 2021 Contract
  - University of Wisconsin - Milwaukee

Professional Services Contracts focus on facility-based programming, supports functions that are critical to patient care, and are necessary to maintain hospital and crisis services licensure. An overview was presented of all hospital/operations services provided.

Questions and comments ensued.

The Finance Committee unanimously agreed to recommend approval of the 2020 and 2021 Professional Services Contracts and 2020 Contract Amendments to the Board as delineated in the corresponding report.

**SCHEDULED ITEMS (CONTINUED):**

3.	<p><b>Mental Health Board Finance Committee Purchase-of-Service Contracts Recommendation.</b></p> <p>Purchase-of-Service Contracts for the Provision of Adult and Child Mental Health Services and Substance Use Disorder Services were reviewed. An overview was provided detailing the adult program contract and amendment.</p> <p>The Finance Committee unanimously agreed to recommend approval of the 2021 Purchase-of-Service Contract and 2020 Contract Amendment to the Board as delineated in the corresponding report.</p>
4.	<p><b>Mental Health Board Finance Committee Fee-for-Service Agreements Recommendation Revision.</b></p> <p>This is a corrected report from amounts approved in October. There was a clerical error in the report. The report requested a fee-for-service spending amount for Mental Health America. The report should have requested those funds for Milwaukee Mental Health Associates.</p> <p>In recognizing the importance of cross checking, inquiries were made as to the protocol of checks and balances to ensure the right information is being disseminated.</p> <p>Discussion was held at length from a process standpoint related to the Fiscal area's system of proofing reports prior to distribution.</p> <p>The Finance Committee unanimously agreed to recommend approval of the agreements delineated in the CORRECTED 2020 Fee-for-Service Agreements October Board Report.</p>
5.	<p><b>Mental Health Board Finance Committee Fee-for-Service Agreements Recommendation.</b></p> <p>Fee-for-Service Agreements are for the Provision of Adult and Child Mental Health Services and Substance Use Disorder Services. An overview was provided detailing the program agreements, which provide a broad range of support services for adults with serious emotional disturbances and their families.</p> <p>Chairwoman Perez abstained from recommending the 16th Street Community Health Center agreement for approval.</p> <p>Remaining Committee Members unanimously agreed to recommend approval of the 16th Street Community Health Center agreement to the Board.</p> <p>The Finance Committee unanimously agreed to recommend approval of the balance of 2020 Fee-for-Service Agreements to the Board as delineated in the corresponding report.</p>

## **SCHEDULED ITEMS (CONTINUED):**

6.	<p><b>Informational Report on Housing First.</b></p> <p>Housing first is the main approach to homelessness and has been very successful in the community. The success achieved is due to the Mental Health Board (MHB). The first contributable funding received was from the MHB, which kicked off the entire program. It has made a tremendous impact in the community. A vast majority of individuals served by Housing First are also part of the mental health system and direct Behavioral Health Division (BHD) clients. Individuals not served by BHD, but reached through street outreach have been prevented from needing intensive services from BHD. The program has received national attention. Milwaukee is on track to be the largest community in the country to end chronic homelessness. A documentary has been done on Housing First with a focus on Milwaukee.</p> <p>Data was provided ranging over the last two years related to outreach services, homeless outreach and supportive housing, chronic homelessness, and community integration and responsibility.</p> <p>Working together with BHD creates a synergy in a joint effort to keep people who experience mental health or substance issues out of the criminal justice system. This also ties into the MacArthur projects.</p> <p>Questions and comments ensued.</p> <p>This item was informational.</p>
7.	<p><b>Update on Financial Vulnerabilities, Risks, and Progress on Initiatives Related to the 2021 Budget.</b></p> <p>An ongoing risk for BHD is the general financial health of Milwaukee County (the County) and its struggles with structural budget issues over the years. Costs are quickly rising while revenues continue to go down. There are a lot of statutory state-imposed limits on how much revenue the County can generate locally, which causes issues as the County has various statutory commitments that require funding. In the past several years, the Budget Office has included a \$2 million structural deficit item in BHD's budget. There was an assumption it would be removed with the success achieved through the Fair Deal initiative. It now seems unlikely. Two million dollars in savings will have to be identified to overcome the structural deficit.</p> <p>The hospital is currently in the process of executing a Systems Improvement Agreement with the Centers for Medicare and Medicaid Services to address all facility deficiencies by March 30, 2021. BHD Administration is working with the Wisconsin Department of Health Services on opportunities for waivers related to certain improvements in addition to exploring lower-cost options. Additional capital costs due to regulatory and building code issues will remain a risk until the aged Mental Health Complex fully closes in 2022.</p>

**SCHEDULED ITEMS (CONTINUED):**

	<p>BHD has been running at an approximately 60% bed capacity compared to what it had been prior to pandemic levels. A \$4.1 million inpatient revenue deficit for 2020 is projected, which is inclusive of the one-time CARES Act Provider Relief funding. Additional CARES Act Provider Relief funds is needed by early 2021 to support continued COVID-19 related revenue loss. Without additional funding, BHD must reduce costs substantially to cover the loss.</p> <p>There have also been ongoing struggles with Wraparound Milwaukee's capitated rate. The new rate represents a 0.2% decrease. Wraparound is working closely with the State on assumptions around cost allowability in the rate setting process.</p> <p>Possible rate enhancements have been identified to support the sustainability of a new psychiatric emergency room in Milwaukee County. Some rate enhancements may be applied to the existing psychiatric emergency room in 2021.</p> <p>Questions and comments ensued.</p> <p>This item was informational.</p>
8.	<p><b>2020 Third Quarter Dashboard.</b></p> <p>An overview was provided of the 2020 Quarter 3 fiscal report detailing combined reporting, inpatient hospital annual projections, and 2020 year-to-date revenues and expenses. Program Dashboards for acute adult inpatient, child and adolescent inpatient (CAIS), Psychiatric Crisis Services (PCS), Alcohol and Other Drug Abuse (AODA), Wraparound, Targeted Case Management (TCM), Comprehensive Community Services (CCS), and Community Support Programs (CSP) were all reviewed. Year-end financial highlights included information on inpatient census, Crisis Resource Center expansion, state institutions, CCS growth, and AODA costs.</p> <p>Questions and comments ensued.</p> <p>This item was informational.</p>
9.	<p><b>September 2020 Financial Reporting Package.</b></p> <p>An overview was provided of the 2020 Quarter 3 fiscal report detailing combined reporting, inpatient hospital annual projections, and 2020 year-to-date revenues and expenses. Year-end financial highlights included information on inpatient census, patient receivable accounts, state institutions, and Alcohol and Other Drug Abuse costs.</p> <p>This item was informational.</p>

**SCHEDULED ITEMS (CONTINUED):**

10.	<p><b>Quarterly Fund Transfers.</b></p> <p>Fund transfers are effectively budget amendments. They are used mostly as an off-budget process to either recognize new grant revenue or move funds around between cost centers. Some transfers reflected are related to the Systems Improvement Agreement. There was one noted error with the Basic County Allocation (BCA) fund transfer amount. The total funds transferred should read \$14,636,560.</p> <p>This item was informational.</p>
11.	<p><b>Quarterly Update and Reserve Analysis Overview.</b></p> <p>At the end of 2019, Behavioral Health Division's (BHD) Reserve balances were in a really good position, even with System Improvement Agreement (SIA) correction costs looming. However, since then, SIA costs have increased and there is financial strain around the pandemic. When costs on the horizon related to closing, start-up costs related to a new psychiatric emergency room, relocation of administrative staff, retention/severance payments are included, in addition to other known commitments, it reduces the balance significantly. Opportunities in active healthcare costs will materialize. BHD has applied for additional CARES Act funding. When you put all these items together against the \$14.6 million year-end balance, it reduces it down to \$3.6 million in the Surplus Reserve, which is concerning and puts BHD below the \$10 million floor established in Wisconsin Statutes. Anything below the \$10 million floor amount can only be used to offset operating deficits. Quarterly updates will continue to be provided.</p> <p>Questions and comments ensued.</p> <p>This item was informational.</p>
12.	<p><b>Mental Health Board Finance Committee 2021 Meeting Schedule.</b></p> <p>The 2021 Finance Committee meeting schedule was provided to Committee Members in its final draft. All Committee Members should have received calendar invitations.</p>
13.	<p><b>Adjournment.</b></p> <p>Chairwoman Perez ordered the meeting adjourned.</p>

**SCHEDULED ITEMS (CONTINUED):**

This meeting was recorded. The official copy of these minutes and subject reports, along with the audio recording of this meeting, is available on the Milwaukee County Behavioral Health Division/Mental Health Board web page.

Length of meeting: 1:36 p.m. to 3:39 p.m.

Adjourned,

*Jodi Mapp*

Jodi Mapp  
Senior Executive Assistant  
Milwaukee County Mental Health Board

**The next meeting of the Milwaukee County Mental Health Board  
Finance Committee is Thursday, February 27, 2020, at 8:00 a.m.**

**Visit the Milwaukee County Mental Health Board Web Page at:**

**<https://county.milwaukee.gov/EN/DHHS/About/Governance#MCMHBrecords>**